

Palm Hills increases its sales by 18% in FY 18

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Source: Daily News Egypt



Palm Hills Developments has achieved EGP 12.5bn sales in its project with an increase of 18% Y-o-Y, according to consolidated financial statements for the last quarter (Q4) of 2018.

The statement said that the company has succeeded in selling 3,102 units in fiscal year (FY) 2018, compared to 2,136 units in FY 2017.

The company attributed the growth in sales to the increased demand in the company's Badya project, in addition to an increase in the sales of residential units in the Palm Hills New Cairo project. Moreover, the continued growth of commercial sales of 168% Y-o-Y are worth EGP 1.8bn.

Additionally, the company has announced a decrease in net debt by EGP 1.9bn. The company has achieved sales of EGP 4.8bn of 1,935 residential units in Badya project since its launch in May 2018.

During the past year, the company also sold clinics in the Hale Town project and retail space at Hacienda Bay's Lake Yard, as well as units in the Golf Extension and the Lane Mall.

The company concluded the securitisation and factoring of receivables related to delivered units with a value of EGP 942m, which amounted to 663 delivered units during FY 2018, with the aim of reducing the debt in the balance sheet.

"In Q1 of FY 2019, the company expects to complete the discount and consolidation operations of 861 delivered units worth EGP 1bn in projects of Palm Parks, Palm Valley, Golf Views, Golf Extension, Palm Hills Katameya 1, 2, as well as Hacienda Bay and Hacienda White 2, where the total return on transactions will be in partial payment of the current debt," the statement noted.

Moreover, the company's revenues rose 12% Y-o-Y to EGP 7.4bn, exceeding its target of EGP 6.8bn. The increase in revenues is due to increased delivery of residential units in Palm Hills, Golf Extension, Hacienda Bay, Hacienda White 2, and Palm Valley, as well as a 19% Y-o-Y increase in new sales, in projects of Palm Hills New Cairo, Badya, and the Golf Extension project.

As part of its strategy to focus on profitable growth, profit margins continued to improve during FY 2018, with gross profit up to 23% Y-o-Y to reach EGP 2.6bn.